

**Finance Committee of the
BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, December 17, 2014
450 Child Street, Warren Office, Warren, RI**

The committee meeting was called to order at 4:31 pm by Chairman Hellman.

Committee Chair Joel Hellman and Committee Member Ray Palmieri, Board Chair Allan Klepper, Executive Director Pamela Marchand and Finance Manager Mark Champagne were in attendance. Committee Member Gina Macdonald was absent.

1. Budget

Mark Champagne presented a general budget for FY 2016 that included the capital plan, debt service, reserve funds and the operations budget.

The Operations Budget, as presented, increased by 1.6% over FY2015. It included a balance of increased expenses, such as new line items for computer software maintenance and transmission brush clearance, and decreases due to negotiated contract items for salary and benefits.

The draft overall budget plan will require a rate increase of 3.25% for FY 2016 that includes the recommended IFR reserves for capital projects.

The Committee reviewed and discussed the operations budget, including the recommended reserves. The Finance Manager and the Executive Director responded to questions regarding individual line items in the budget. Employee salary and benefit expenses were also reviewed.

2. Pension Rate of Return

The Committee discussed their intention to recommend to the Board that the rate of return of the pension be adjusted from 7.75% to 6.25% for calendar year 2015, to correspond to the 10 year rolling average.

Mark Champagne pointed out that the Board would just need to fund the pension plan at a higher rate. He would get a calculation for the additional amount needed to meet the 6.25% rate of return. Based on the Committee's previous discussion on this topic, an additional \$25,000 had been added to the pension payment line item in the operations budget, which, he believed, would be sufficient.

The meeting was adjourned at 5:47pm.

Ray Palmieri, Sr.
Secretary